

LA In Balance

February 2026

Development Stays Solid

Occupancy Elevated

Asking Rents Tick Down

LOS ANGELES MULTIFAMILY



Rents Slide, Supply Remains Solid

Los Angeles ended 2025 in similar fashion to how it started the year, balancing sluggish to flat rent growth and solid supply gains. Advertised asking rents ticked down 0.3%, on a trailing three-month basis through December, to an average of \$2,628, on par with the national figure. Occupancy for stabilized assets remained solid, at 95.9% in November, 130 basis points ahead of the U.S. average, despite significant supply expansion.

Employment gains remained sluggish, at 0.5% year-over-year through September, lagging the national rate by 30 basis points. Unemployment remained elevated, at 5.3% in November and 80 basis points above the U.S. average, according to preliminary data from the Bureau of Labor Statistics. Over the 12-month period ending in September, Los Angeles added 16,500 net jobs, with education and health services (50,600 positions) leading gains. Five sectors lost 40,300 jobs combined. Ahead of the 2028 Olympics, the \$2.6 billion expansion project for the L.A. Convention Center broke ground in October, while several major infrastructure projects are also underway across the metro.

After the last three years added more than 37,000 units combined, development is winding down. Developers had 25,754 units under construction at the end of last year and broke ground on 6,836 units.

Market Analysis | February 2026

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Recent Los Angeles Transactions

Stella



City: Marina Del Ray, Calif.
Buyer: Carmel Partners
Purchase Price: \$133 MM
Price per Unit: \$546,311

AML Camarillo



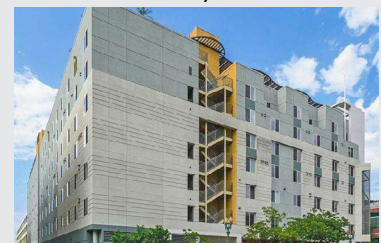
City: Camarillo, Calif.
Buyer: AML Residential
Purchase Price: \$110 MM
Price per Unit: \$517,136

Hills at Hacienda Heights



City: Hacienda Heights, Calif.
Buyer: Eagle Partners
Purchase Price: \$107 MM
Price per Unit: \$305,714

Eleve Lofts & Skydeck

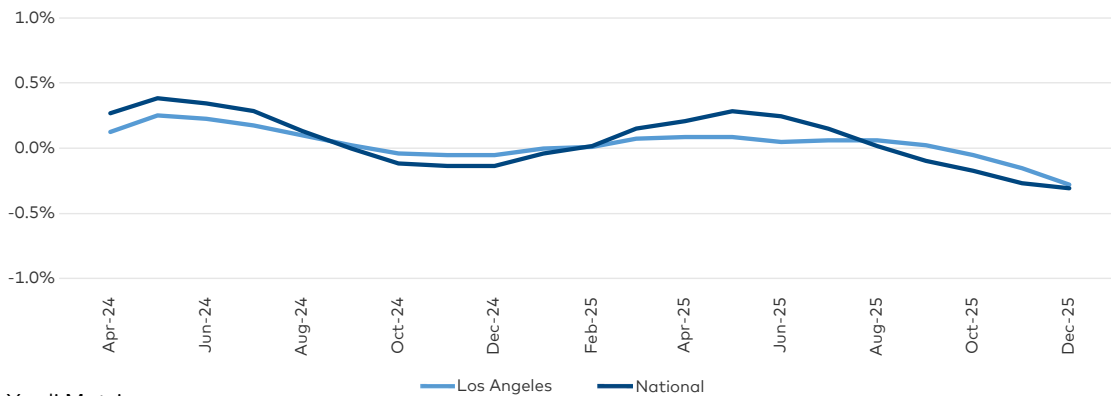


City: Glendale, Calif.
Buyer: Pacific Urban Investors
Purchase Price: \$76 MM
Price per Unit: \$365,385

RENT TRENDS

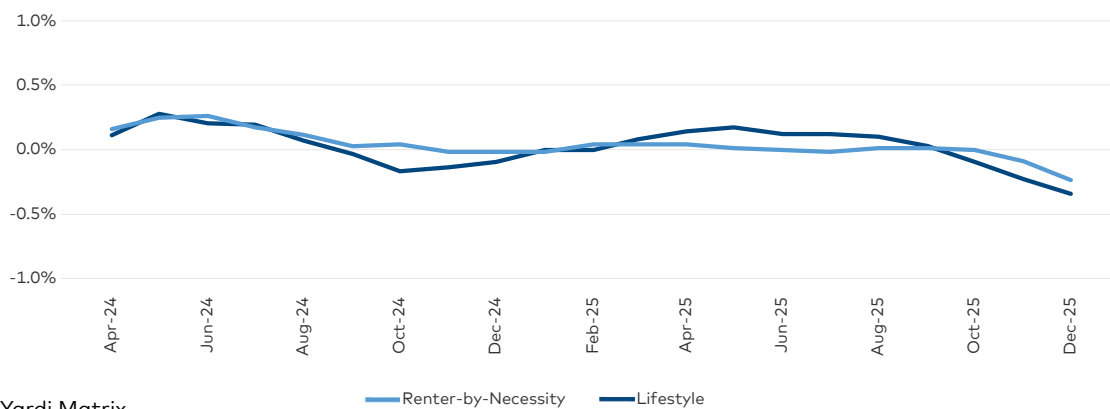
- ▶ Los Angeles advertised asking rents ticked down 0.3%, on a trailing three-month (T3) basis through December, to an average of \$2,628. T3 rent movement was in lockstep with the national figure in 2025's last quarter, while the previous three quarters recorded only tepid gains, ticking up 0.1% at most. Rents were also down 0.4% year-over-year, 40 basis points below the national rate, pressured by three years of strong supply and economic headwinds. A slight recovery is in the cards for Los Angeles, with year-over-year growth projected to reach 0.6% by year-end.
- ▶ T3 advertised asking rent development by quality segment painted a similar picture. Rates for upscale Lifestyle assets were down 0.3%, to \$3,214, while the working-class Renter-by-Necessity figure ticked down 0.2%, to \$2,272.
- ▶ The average occupancy for stabilized assets in the metro ticked down just 10 basis points year-over-year through November, to 95.9%, 130 basis points above the U.S. figure. This highlighted the strong demand in Los Angeles, as the market added more than 37,000 units over the past three years without significantly impacting occupancy. The Lifestyle figure was up 10 basis points, to 95.5%, while the RBN rate ticked down 40 basis points, to 96.2%.
- ▶ While advertised asking rents for most of Los Angeles' submarkets contracted year-over-year through December, there were a few bright spots, including Inglewood (up 6.0% to \$2,396), Hyde Park (5.4% to \$2,887) and East Los Angeles South (6.6% to \$2,195).

Los Angeles vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Los Angeles Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ After a slowdown in the second quarter, Los Angeles employment growth showed signs of a slight recovery in the third, with the rate up 0.5% year-over-year through September. However, the figure was still 30 basis points below the national rate, continuing a trend seen in the last 17 months.
- ▶ Unemployment clocked in at 5.3% as of November 2025, 80 basis points higher than the national figure and almost unchanged from a year prior, according to preliminary data from the BLS. California's unemployment stood at 5.5%.
- ▶ Over the 12-month period ending in September, Los Angeles added 16,500 net jobs. Education and health services led with 50,600 positions, followed by government, which added 9,400. Five sectors lost a combined 40,300 jobs, with the largest losses recorded in the manufacturing (-12,200) and professional and business services (-11,900) sectors.
- ▶ Ahead of the 2028 Olympics, the city and its partners broke ground on the \$2.6 billion expansion project at the L.A. Convention Center. Plans call for a new, 190,000-square-foot exhibit space and a 98,000-square-foot ballroom. Major infrastructure developments include the LAX modernization program (\$5.5 billion), the LA Metro D Line extension (\$9.7 billion) and the East San Fernando Valley Light Rail (\$3.8 billion).

Los Angeles Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	1,023	22.3%
90	Government	594.2	12.9%
70	Leisure and Hospitality	540.6	11.8%
50	Information	188.5	4.1%
80	Other Services	155.2	3.4%
55	Financial Activities	201.1	4.4%
15	Mining, Logging and Construction	146.2	3.2%
40	Trade, Transportation and Utilities	799.6	17.4%
60	Professional and Business Services	644.2	14.0%
30	Manufacturing	296.1	6.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Los Angeles lost more than 90,000 residents from 2021 to 2022, or 0.7% of existing stock, while the U.S. population grew 0.4%.
- ▶ Still, the metro gained 166,665 residents over the decade ending in 2022.

Los Angeles vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Los Angeles	13,249,614	13,211,027	13,202,558	13,111,917

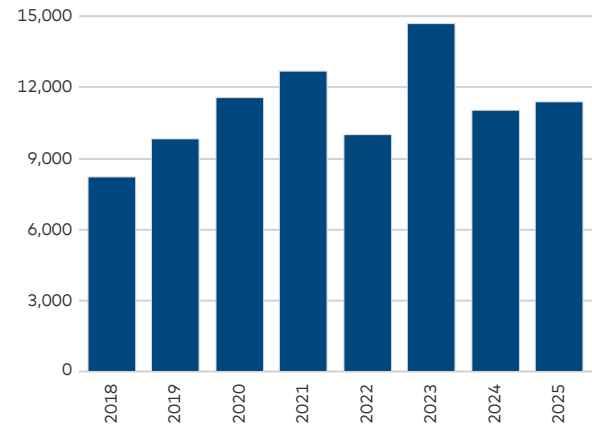
Source: U.S. Census

SUPPLY

- ▶ At the end of last year, Los Angeles developers had 25,754 units under construction, along with an additional 192,000 units in the planning and permitting stages. Activity remained healthy, but 2026 will likely see a softening across supply dynamics. At the end of 2025, developers remained focused on the upscale segment, as nearly two-thirds of all units underway were in Lifestyle projects, while units in fully affordable assets comprised 31.1% of the total.
- ▶ Completions across the market totaled 11,400 units in 2025, virtually on par with 2024's numbers. This was 2.3% of existing stock and 70 basis points below the national average, but in line with the metro's performance over the past decade. New supply has held steady over the past three years, but a slight slowdown is in the cards for 2026, as just over 10,000 units are expected to come online, below the 11,200-unit annual average recorded since 2018.
- ▶ As capital shifts toward high-growth secondary markets, gateway markets are winding down. Construction starts totaled 6,836 units across 49 projects in Los Angeles last year, below the 7,838 units and 53 developments that broke ground in 2024.

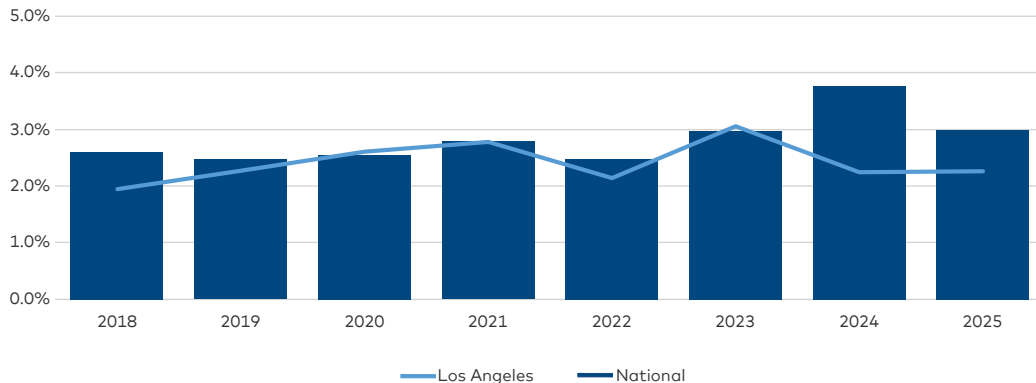
- ▶ Metro Los Angeles led with construction activity with 13,159 units underway. Among its submarkets, Silverlake ranked first (1,370 units), while Adams–Normandie–Hoover (1,218) and Koreatown (1,065) rounded out the top three.
- ▶ Adjacency to transit, infill corridors and student demand contributed to large projects shaping up. American Commercial Equities is working on a 735-unit community in Silverlake, which is one of the largest developments in the metro.

Los Angeles Completions (as of December 2025)



Source: Yardi Matrix

Los Angeles vs. National Completions as a Percentage of Total Stock (as of December 2025)

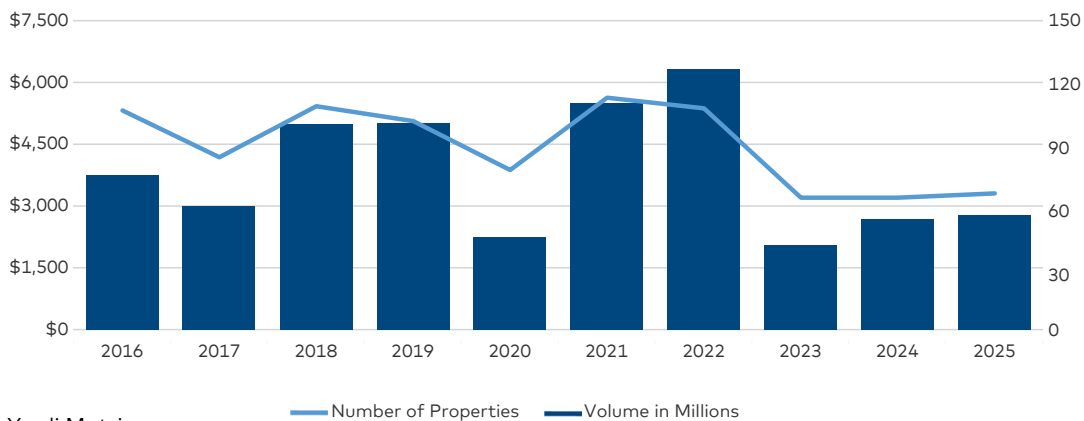


Source: Yardi Matrix

TRANSACTIONS

- ▶ Los Angeles ended 2025 with \$2.8 billion in closed multifamily transactions, only \$100 million more than the previous year. Last year's volume was the fourth lowest of the decade, yet Los Angeles remained a top national market for investment volume, proving the lasting appeal of gateway cities.
- ▶ The average per-unit price for last year's sales was \$317,228, up 1.2% year-over-year. Activity remained on par with 2024's performance, both in the number of transactions and distribution across quality assets—69 properties changed hands, of which 24 were Lifestyle (with the average per-unit price at \$419,003) and 45 were RBN (\$238,357).
- ▶ A few high-value deals brought the per-unit average up, including Carmel Partners' \$133 million acquisition of the 244-unit Stella in the Mar Vista submarket. Nuveen Real Estate sold the asset for \$546,311 per unit, marking the metro's largest deal last year.

Los Angeles Sales Volume and Number of Properties Sold (as of December 2025)



Source: Yardi Matrix

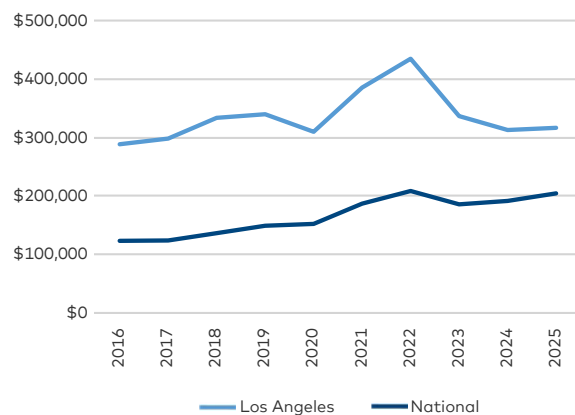
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Glendale	236
Woodland Hills	180
East Hollywood	159
Rolling Hills–Palos Verdes	136
Mar Vista	133
Thousand Oaks	129
Koreatown	118

Source: Yardi Matrix

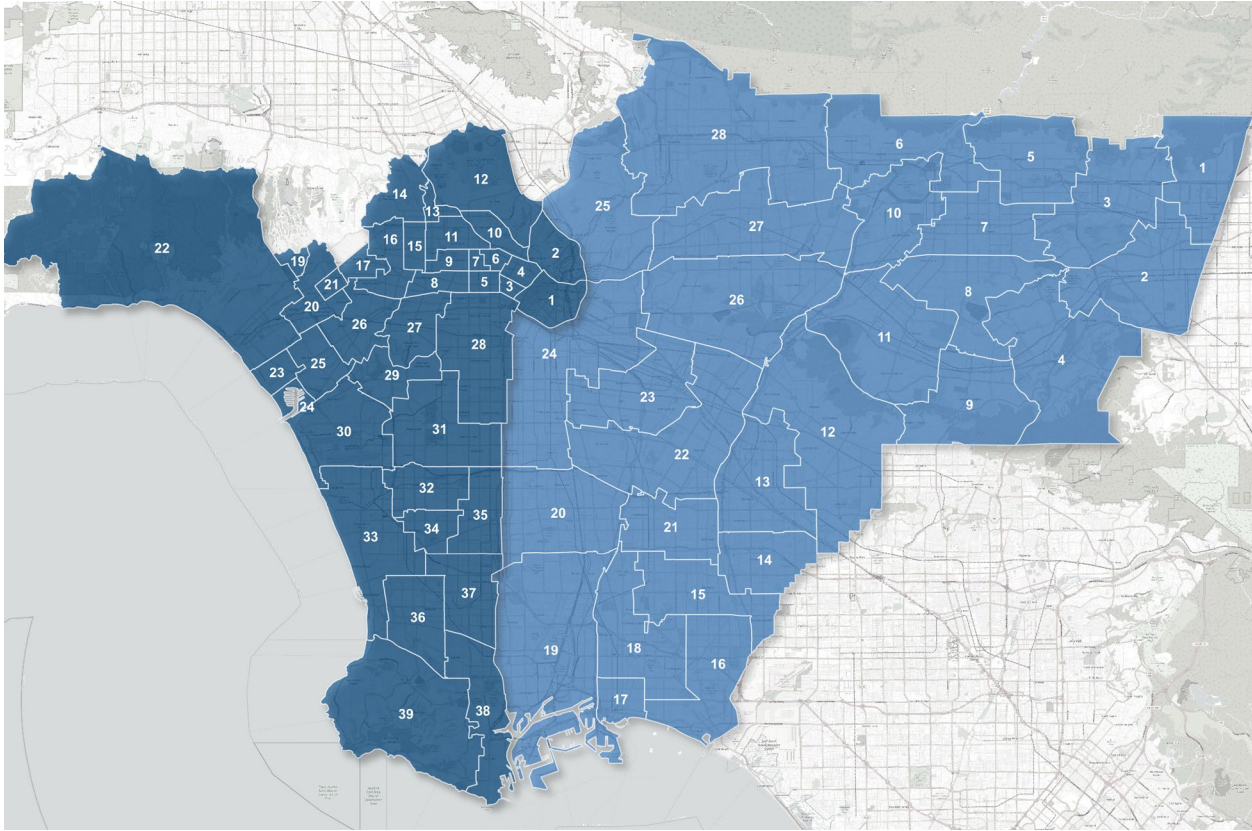
¹ From January 2025 to December 2025

Los Angeles vs. National Sales Price per Unit



Source: Yardi Matrix

LOS ANGELES SUBMARKETS



Area No.	Submarket
1	Downtown Los Angeles
2	Chinatown
3	Westlake South
4	Westlake North
5	Koreatown
6	Mid Wilshire East
7	Mid Wilshire West
8	Park La Brea South
9	Park La Brea North
10	Silverlake
11	East Hollywood
12	Los Feliz–Griffith Park
13	Hollywood Hills East
14	Hollywood Hills West
15	Central Hollywood
16	West Hollywood
17	Beverly Hills South
19	Bel Air
20	Westwood
21	Century City
22	Santa Monica–Brentwood

Area No.	Submarket
23	Venice
24	Marina Del Ray
25	Mar Vista
26	Culver City
27	Hyde Park
28	Adams–Normandie–Hoover
29	Ladera Heights
30	El Segundo–Playa del Rey
31	Inglewood
32	Hawthorne
33	Beach Cities
34	Lawndale
35	Gardena
36	West Torrance
37	East Torrance
38	San Pedro
39	Rolling Hills–Palos Verdes
40	Catalina Island

Area No.	Submarket
1	Claremont
2	Pomona
3	San Dimas/La Verne
4	Walnut/Diamond Bar
5	Glendora
6	Azusa/Monrovia
7	Covina
8	West Covina
9	Rowland Heights
10	Baldwin Park
11	City of Industry/Hacienda Heights
12	Whittier/La Mirada
13	Sante Fe Springs/Norwalk
14	Artesia
15	Lakewood/Hawaiian Gardens
16	East Long Beach
17	SW Long Beach
18	NW Long Beach
19	West Long Beach
20	Compton
21	Bellflower/Paramount
22	Downey/Southgate
23	Maywood/Bell/Montebello
24	East Los Angeles South
25	East Los Angeles North
26	S El Monte/Rosemead
27	Alhambra/San Gabriel/El Monte
28	Pasadena/Arcadia

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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